



VA NATIONAL CENTER ON HOMELESSNESS AMONG VETERANS

Research-driven solutions to prevent and end homelessness

Helping Veterans Experiencing Homelessness Manage Their Money: A Guide for Case Managers

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Homelessness in Veterans

- In a National Public Radio interview on Veterans Day in 2010, Cherish Cornish, a Veteran of the Iraq and Afghanistan War, was clear about why she became homeless:
- *“When I joined the Army, I was barely 20 years old. I come out, and I'm 23, and so I just kind of came of age in the military.*
- *I wind up on my own again in an apartment. It's the first time I've had to pay rent since I was a teenager.*
- *It's the first time I had to pay a light bill — pretty much ever — and all these responsibilities and budgeting and stuff that I'd really never had to deal with in the military.”*



Veterans and Money Management

- Because active duty service members living on base have their basic needs met, they may not have had the opportunity to manage money that their counterparts in the civilian sector had to master at an earlier age.
- Predatory lenders target military members and Veterans, with the largest concentrations of payday lending businesses in the U.S. are in zip codes near military bases.
- Service members have been found to be three times more likely than civilians to take out payday loans.
- The National Financial Capability Study showed military families were significantly more likely to incur credit card debt than civilians.

Veterans and Money Management

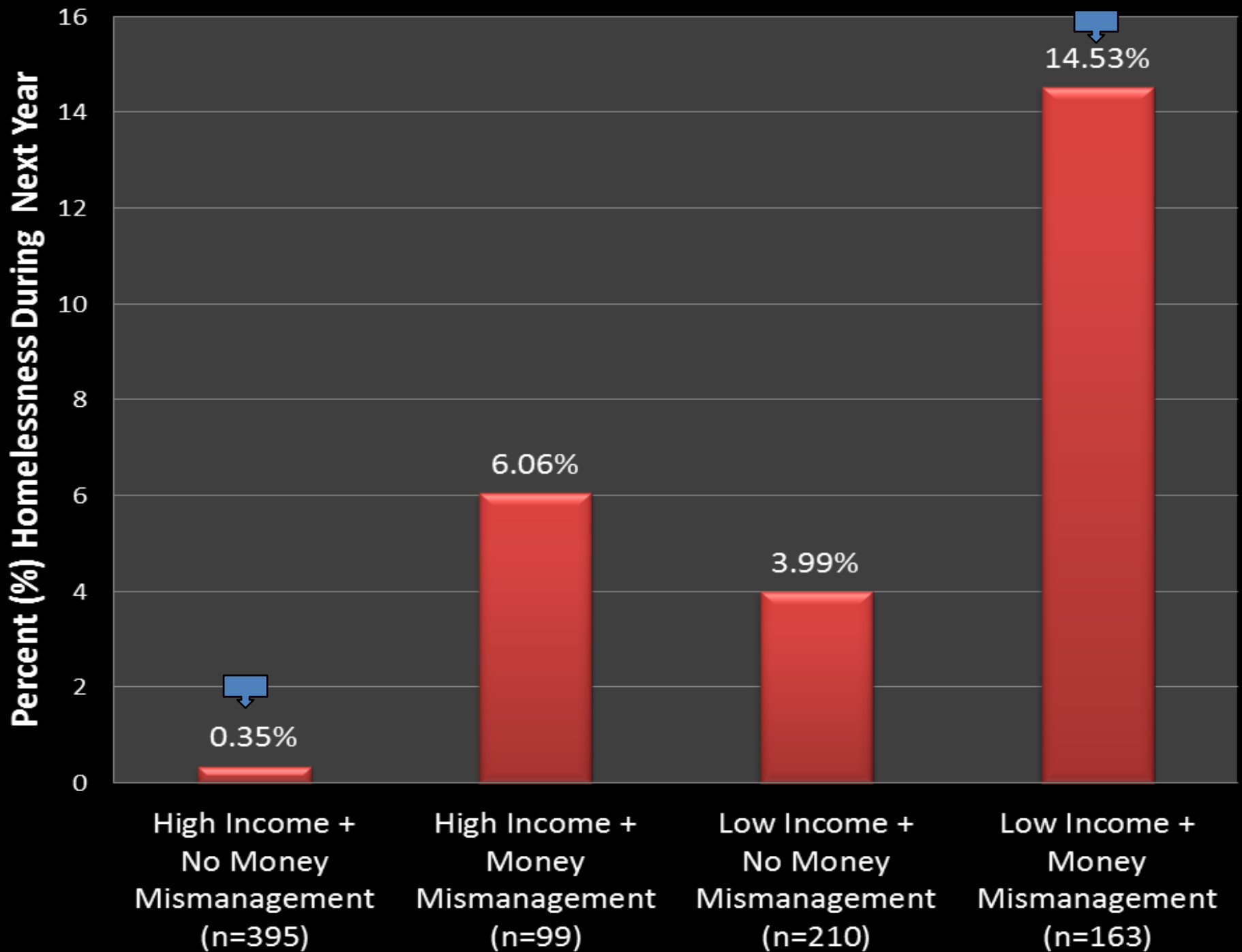
- Psychological and physical war injuries can reduce a Veteran's employability.
- Many military personnel require retraining to learn skills appropriate for civilian work.
- Multiple deployments can lead to family instability or job loss.
- National Survey finds about one-third of Veterans have mismanaged money in the past year:
 - bouncing/forging a check
 - going over one's credit limit
 - being turned over to a collection agency
 - falling victim to a money scam

Predictors of Veteran Homelessness in Next Year

		<i>Odds</i>		<i>p-value</i>
		<i>Ratio</i>	<i>95% CI</i>	
History of Arrests		2.65	1.33 – 5.29	.0055
Mental Health Diagnosis		2.59	1.26 – 5.33	.01
Annual Income \geq 50K		0.30	0.13 – 0.71	.0056
Money Mismanagement		4.09	1.87 – 8.94	.0004

(Elbogen et al., 2013a)

$r^2 = 0.23$, $\chi^2 = 64.63$, $df = 4$, $p < .0001$



Research on Improving Money Management in Veterans

- There have been several empirical projects aimed at improving money management among Veterans.
- A randomized trial of contingency management helped reduce substance abuse among dually diagnosed Veterans (Rosen et al., 2009)
- Another relevant intervention tested assigning representative payees to manage Veterans' disability benefits which led to increased quality of life and reduced substance abuse (Conrad et al., 2006)

\$steps for Achieving Financial Empowerment (\$AFE)

(Elbogen et al., 2016)

\$AFE aims to teach Veterans with psychiatric disabilities how to:

1. Save money
2. Create a viable budget
3. Work while receiving disability
4. Avoid money scams
5. Access community resources

Step #1: Save

- The first step to financial empowerment is to figure out ways to save more money right now.
- No matter what your situation is, one key to financial health is to be sure you save money when you can.
- Try coin jars, lowering thermostats, florescent light bulbs, and other strategies. Instead of eating out, cook food at home to save big.
- Ask for Veteran savings at home improvement stores and home appliance stores, cell phone plans, or anytime you spend more than \$100.
- If you have a smart phone, search for military or Veteran discount apps that can show you where to find even more savings.

Examples of Veteran Discounts

Cell Phone Service

- It is possible you can get a 15%-25% discount on your personal cell phone because you are a Veteran. Several cell phone carriers offer discounts to Veterans. Call your provider and ask if they offer a Veteran discount. You may need to verify military status.

Home Improvement Stores

- Veterans are eligible for a 10% discount at several major chains of home improvement stores. Ask at checkout; you will need to verify military status.

Home Appliance Stores

- Veterans are eligible for a 10% discount at several major chains of home appliance stores. Ask at checkout; you will need to verify military status.

Step #2: Budget

- Learn the difference between expense needs and expense wants when making a budget. An expense need is something that you must spend your money on to survive or promote health. An expense want is something that you would like to spend your money on for enjoyment.
- Every time you are about to buy something, ask yourself: ‘Is this item something I need or something I want?’ If you need it, buy it. If you want it and have already paid for your needs, buy it if it fits in your budget. But if you want it and haven’t yet paid for the things you need, buying it risks your going into debt.

Budget

- Track your expenses for one week to discover the top three items burning a hole in your pocket. This could be cigarettes, lottery tickets, alcohol, or any other item.
- Figure out how much you spend in a week on an item and multiply that by 52. Now multiply that amount by 10.
- This number is how much richer your future self will be in a decade if you stop buying that item. What could you do with that money?

MONTHLY BUDGET

Income	Amount
<i>Employment</i>	
<i>Welfare</i>	
<i>Food Stamps</i>	
<i>VA pension benefits</i>	
<i>VA service-connected compensation</i>	
<i>SSI, not counting state supplement</i>	
<i>State supplement to SSI</i>	
<i>SSDI</i>	
<i>Significant other, family, or friends</i>	
<i>Asking for money on the street</i>	
<i>Other</i>	
	Total=

MONTHLY BUDGET

Expenses	Amount
<i>10% Savings for (goal)</i>	
<i>10% Emergency Funds</i>	
<i>Rent/ Mortgage</i>	
<i>Food</i>	
<i>Electricity</i>	
<i>Medications</i>	
<i>Phone</i>	
<i>Gas/Heat</i>	
<i>Car Payment</i>	
<i>Gas/Car</i>	
<i>Other Transportation</i>	
<i>Cable</i>	
<i>Clothes</i>	
<i>Cigarettes</i>	
<i>Alcohol/Drugs</i>	
<i>Gambling (lottery tickets, etc)</i>	
<i>Health Care</i>	
<i>Other</i>	
	Total=

Step #3: Work

- Working does not mean disability benefits automatically stop.
- Veterans who work have more money on hand in their budget. To find out about your benefits, call the Department of Veterans Affairs (1-800-827-1000) or the Social Security Administration (1-800-772-1213).
- For Veterans' work programs, call 1-800-355-8262
 - Vocational Rehabilitation
<https://www.benefits.va.gov/vocrehab>
 - Compensated Work Therapy
<https://www.va.gov/health/cwt/veterans.asp>

Step #3: Work

- Go to Department of Labor for Veterans' Employment & Training Services
 - <https://www.dol.gov/agencies/vets>
- In March 2019, the VA released a new tool for beneficiaries of Social Security Administration's (SSA's) disability benefits, which helps demonstrate how income from employment and/or VA disability benefits will affect Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI):
 - <https://soarworks.prainc.com/article/income-benefits-calculator>

Step #3: Work

- **Homeless Veterans Community Employment Services (HVCES)**
 - Pre-screen Veterans with a variety of skill sets and from all educational levels
 - Refer job-ready Veteran candidates who are ready to work from day one for open positions
 - Help facilitate hiring and onboarding
 - Assist Veterans in applying their military experiences to civilian employment
 - Help in meeting diversity and inclusion goals
- <https://www.va.gov/HOMELESS/HVCES.asp>

Step #4: Avoid Scams

- Giving money to someone because of a phone call, letter, email, or advertisement that you did not initiate raises risk of being scammed.
- If you exchange money for any reason, it is safest to do it in person and in a place of business (store, office, bank) with a solid reputation.
- Or, if you buy something on the internet, make sure the website is reputable and secure and you use a credit card and a strong password.

Step #4: Avoid Scams

- If you are in debt, be careful about TV, newspaper, internet, or mail advertised sources claiming to get rid of your debt.
- Instead, ask about credit counseling at your bank. Check if your bank is protected and insured by the Federal Deposit Insurance Corporation (FDIC), which itself provides financial education materials on its website.
- Learn about how credit cards work. Know credit cards charge you if you don't pay on time.
- Be aware it is not enough to pay the 'minimum payment.'
 - You will start having interest added and you risk never paying off your bill; instead, it'll get bigger each month.

Step #5: Resources

- Take advantage of VA housing benefits (1-877-827-3702). This can save you thousands of dollars over the course of your life and provide you and your family greater living stability.
- Take advantage of Veterans education benefits, which can ultimately boost your earning potential. The VA Education Call Center is available at 1-888-442-4551 (Monday – Friday, 7 a.m. – 6 p.m. CST) for any questions about your GI Bill benefits and other entitlements.

Financial Well-Being

- Your financial health = increasing the amount of money you bring in + decreasing the amount of money you spend.
- The more you earn, the better your financial health. The more you save, the better your financial health. This means knowing the steps above is not enough: you need to put the steps into action in order to benefit. Check out libraries or local organizations that run financial education classes. Keep all this in mind as you strive to achieve financial empowerment.

Steps for Achieving Financial Empowerment (\$AFE): Effectiveness

(Elbogen et al., 2016)

Study showed that one-session \$AFE program did not improve outcomes; instead, Veterans needed to use \$AFE skills learned from the program and when they did, they demonstrated:

- Less impulsive buying
- Greater knowledge about finances
- More responsible spending/saving
- Increased number of hours working
- Increased engagement in vocational activities

Financial Literacy, Homelessness, and Veterans

Former Secretary of Veteran Affairs Eric Shinseki stated:

“Too many Veterans carrying the burdens of PTSD or TBI, compounded by **limited financial literacy** and atypical behaviors, begin a downward spiral towards isolation, depression, substance abuse, joblessness, failed relationships, homelessness—and sometimes suicide. It usually doesn't happen overnight—it's a long, slow slide. But it begins somewhere, and it would be shortsighted for any of us to presume that these conditions only ensue after the uniform comes off.”



Discussion

1. How are case managers addressing issues of money management and financial literacy in the field?
2. What tools and/or protocols are being used?
3. How might \$AFE be applied/adapted?

Discussants:

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